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**CHAODA MODERN AGRICULTURE (HOLDINGS) LIMITED**  
**超大現代農業（控股）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code : 682)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**RESULTS**

The board of directors (the “Board”) of Chaoda Modern Agriculture (Holdings) Limited (the “Company”) announces the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “Group” or “Chaoda”) for the financial year ended 30 June 2021, together with the comparative figures for the previous financial year as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 RMB'000	2020 RMB'000 (Reclassified)
Revenue	3	73,649	72,315
Cost of sales		<u>(53,694)</u>	<u>(52,056)</u>
<b>Gross profit</b>		<b>19,955</b>	20,259
Other income	4	16,895	27,484
Selling and distribution expenses		(6,679)	(8,344)
General and administrative expenses		(51,673)	(50,610)
Other operating expenses	6	<u>(3,866)</u>	<u>(2,312)</u>
<b>Loss from operations</b>		<b>(25,368)</b>	(13,523)
Finance costs	7(a)	(391)	(622)
Share of results of associates		-	(1)
Loss on deregistration of an associate		<u>-</u>	<u>(285)</u>
<b>Loss before income tax</b>	7	<b>(25,759)</b>	(14,431)
Income tax expense	8	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<b><u>(25,759)</u></b>	<b><u>(14,431)</u></b>
<b>Other comprehensive (expense)/income, including reclassified adjustments and net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange (loss)/gain on translation of financial statements of foreign operations		<u>(3,914)</u>	<u>2,364</u>
<b>Other comprehensive (expense)/income for the year, including reclassified adjustments and net of income tax</b>		<b><u>(3,914)</u></b>	<b><u>2,364</u></b>
<b>Total comprehensive expense for the year</b>		<b><u>(29,673)</u></b>	<b><u>(12,067)</u></b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	<b>2021</b> RMB'000	2020 RMB'000 (Reclassified)
<b>Loss for the year attributable to:</b>			
Owners of the Company		(26,403)	(13,910)
Non-controlling interests		<u>644</u>	<u>(521)</u>
		<u>(25,759)</u>	<u>(14,431)</u>
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		(31,533)	(10,984)
Non-controlling interests		<u>1,860</u>	<u>(1,083)</u>
		<u>(29,673)</u>	<u>(12,067)</u>
<b>Loss per share for loss attributable to the owners of the Company during the year</b>			
– Basic	10(a)	<u>RMB(0.008)</u>	<u>RMB(0.004)</u>
– Diluted	10(b)	<u>RMB(0.008)</u>	<u>RMB(0.004)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Notes	2021 RMB'000	2020 RMB'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		33,874	37,944
Right-of-use assets		31,070	38,359
Investment properties		<u>70,827</u>	<u>75,493</u>
		<u>135,771</u>	<u>151,796</u>
<b>Current assets</b>			
Trade receivables	11	15,269	13,684
Other receivables, deposits and prepayments		4,588	6,970
Bank balances and cash		<u>106,863</u>	<u>125,150</u>
		<u>126,720</u>	<u>145,804</u>
<b>Current liabilities</b>			
Trade payables	12	2,507	2,361
Lease liabilities		3,795	3,329
Other payables and accruals		<u>27,855</u>	<u>30,237</u>
		<u>34,157</u>	<u>35,927</u>
<b>Net current assets</b>		<u>92,563</u>	<u>109,877</u>
<b>Total assets less current liabilities</b>		<u>228,334</u>	<u>261,673</u>
<b>Non-current liabilities</b>			
Lease liabilities		<u>106</u>	<u>3,824</u>
<b>Net assets</b>		<u>228,228</u>	<u>257,849</u>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		333,149	333,149
Reserves		<u>(107,457)</u>	<u>(75,976)</u>
Capital and reserves		225,692	257,173
Non-controlling interests		<u>2,536</u>	<u>676</u>
<b>Total equity</b>		<u>228,228</u>	<u>257,849</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

### **1. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collectively includes all applicable individual Hong Kong Financial Reporting Standard (“HKFRS”), Hong Kong Accounting Standard (“HKAS”) and Interpretation issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The accounting policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new, amended or revised HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in Note 2.

The consolidated financial statements have been prepared under historical cost convention.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 30 June each year.

Items included in the financial statements of each of the Group’s entity are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Renminbi (“RMB”) since most of the companies comprising the Group are operating in RMB environment and the functional currency of most of the companies comprising the Group is RMB.

In the application of the Group’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The consolidated financial statements for the year ended 30 June 2021 were approved for issue by the Board on 24 September 2021.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### *Amendments to HKFRSs that are mandatorily effective for the current year*

The Group has adopted the following new and amendments to HKFRSs for the first time for the current year’s consolidated financial statements.

Amendments to HKFRS 3	Definitions of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

The applications of the Amendments to References to the Conceptual Framework in HKFRS Standards and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or the disclosures set out in these consolidated financial statements.

### *New or revised standards that have been issued but not yet effective*

The Group has not applied the following new and amendments to HKFRSs, that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKFRS 16	Covid-19-Related Rent Concession beyond 30 June 2021 <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
Amendments to HKAS 1	Classification of liabilities as Current or Non-current and related amendments to Hong Kong Interpretation <sup>5</sup> (2020) <sup>3</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Annual Improvements to HKFRSs 2018–2020 Cycle	Amendments to HKFRS 1, HKFRS 9, HKAS 41 and Illustrative Examples accompanying HKFRS 16 <sup>2</sup>

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (continued)

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.
- <sup>4</sup> Effective for annual periods beginning on or after 1 June 2021.
- <sup>5</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will not have a material impact on the consolidated financial statements in the foreseeable future.

## 3. REVENUE

The principal activities of the Group is the sales of crops.

Revenue represents the sales value of goods supplied to customers. The amount of each significant category of revenue recognised during the year is as follow:

	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
Sales of crops	<u><b>73,649</b></u>	<u>72,315</u>

Revenue from sale of crops is recognised at a point in time when the control of product has transferred to the customer, net of discounts. Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period of one month to three months is allowed according to relevant business practice.

#### 4. OTHER INCOME

	2021 RMB'000	2020 RMB'000
Interest income	979	2,255
Rental income	12,556	11,701
Sundry income	642	2,612
Covid-19-related rent concession	1,033	397
Government grant (Note)	1,238	519
Reversal of impairment of property, plant and equipment	-	4,202
Reversal of impairment of right-of-use assets	-	5,798
Gain on disposal of property, plant and equipment	447	-
	<u>16,895</u>	<u>27,484</u>

*Note:*

During the year ended 30 June 2021, the Group has recognised government grants of approximately RMB1,238,000 (2020: RMB519,000) relates to Employment Support Scheme provided by the Hong Kong Government in respect of Covid-19-related subsidies. There were no unfulfilled conditions or contingencies relating to these government grants.



## 5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operation. The Group's operating business is organised and managed separately according to the nature of products, which each segment representing a strategic business segment that offers different products in the PRC market. However, the Group's executive directors considered that over 90% of the Group's revenue, operating results and assets for both years ended 30 June 2021 and 2020 were mainly derived from its growing and sales of crops. Consequently, no operating segment analysis is presented.

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. For the purpose of segment information disclosures under HKFRS 8, the Group regarded the PRC (excluding Hong Kong) as its country of domicile.

The Group's revenue from external customers by geographical location of customers is detailed below:

	2021 RMB'000	2020 RMB'000
Hong Kong	73,649	72,254
Other	-	61
	<u>73,649</u>	<u>72,315</u>

Over 90% of the Group's non-current assets are principally attributable to the PRC, being the single geographical region.

Revenue from customers of the corresponding years contributing over 10% of the Group's total revenue are as follows:

	2021 RMB'000	2020 RMB'000
Customer A	14,107	9,589
Customer B*	9,794	-
Customer C*	<u>7,525</u>	<u>-</u>

\*The corresponding revenue did not contribute over 10% of total revenue of the Group.

## 6. OTHER OPERATING EXPENSES

	2021 RMB'000	2020 RMB'000
Written off of other receivables	3,245	1,176
Allowance of expected credit loss	-	1,116
Others	621	20
	<u>3,866</u>	<u>2,312</u>

## 7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

### (a) Finance costs

	2021 RMB'000	2020 RMB'000
Bank and finance charges	47	45
Interest expenses on lease liabilities	344	577
	<u>391</u>	<u>622</u>

### (b) Staff costs (including directors' remuneration)

	2021 RMB'000	2020 RMB'000
Salaries, wages and other benefits	18,867	19,766
Bonus	266	348
Employee share option benefits	52	1,331
Retirement benefit costs	1,490	1,799
	<u>20,675</u>	<u>23,244</u>

## 7. LOSS BEFORE INCOME TAX (continued)

### (c) Other items

	2021 RMB'000	2020 RMB'000
Auditor's remuneration	811	1,191
Cost of inventories sold	50,306	47,894
Depreciation of property, plant and equipment, net of amount capitalised	4,376	4,572
Depreciation of investment properties	4,666	4,501
Depreciation of right-of-use assets	7,218	8,392
Expenses relating to short-term lease payment	<u>1,278</u>	<u>1,186</u>

## 8. INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of profit or loss and other comprehensive income represents:

	2021 RMB'000	2020 RMB'000
Current tax		
– PRC income tax ( <i>Note (a)</i> )	-	-
– Hong Kong profits tax ( <i>Note (b)</i> )	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

### Notes:

- (a) According to the PRC tax law and its interpretation rules (the “PRC Tax Law”), enterprises that engage in qualifying agricultural business are eligible for certain tax benefits, including full enterprise income tax exemption or half reduction of enterprise income tax on profits derived from such business. Fujian Chaoda Modern Agriculture Group Company Limited, the Company's principal subsidiary and other PRC subsidiaries engaged in qualifying agricultural business, which include the growing and sales of crops, are entitled to full exemption of enterprise income tax.

The enterprise income tax rate of other PRC subsidiaries of the Company not engaged in qualifying agricultural business is 25% (2020: 25%).

## **8. INCOME TAX EXPENSE (continued)**

- (b) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

## **9. DIVIDENDS**

The Directors do not recommend any payment of dividend for the year ended 30 June 2021 (2020: Nil).

## **10. LOSS PER SHARE**

### **(a) Basic loss per share**

The calculation of basic loss per share is based on the loss attributable to the owners of the Company of RMB26,403,000 (2020: RMB13,910,000) and the weighted average number of approximately 3,295,582,000 (2020: 3,295,582,000) ordinary shares in issue during the year.

### **(b) Diluted loss per share**

The calculation of diluted loss per share is based on the loss attributable to the owners of the Company of RMB26,403,000 (2020: RMB13,910,000) and the weighted average number of approximately 3,295,582,000 (2020: 3,295,582,000) ordinary shares. The computation of diluted loss per share for both years does not assume the conversion of the Company’s share options outstanding since their assumed exercise would result in a decrease in loss per share or the exercise price of those share options is higher than the average market price for the ordinary share.

## 11. TRADE RECEIVABLES

The Group's trading terms for its local wholesale and retail sales are mainly cash on delivery whereas local sales to institutional customers and export trading companies are mainly on credit. The credit period is generally for a period from one month to three months depending on the customers' creditworthiness.

The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by management. As the Group's trade receivables relate to a wide range of customers, there is no significant concentration of credit risk.

Ageing analysis of trade receivables (net of allowance for expected credit loss) is as follows:

	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
0 – 1 month	<b>6,737</b>	6,623
1 – 3 months	<b>5,772</b>	5,618
Over 3 months	<b>2,760</b>	1,443
	<b><u>15,269</u></b>	<u>13,684</u>

## 12. TRADE PAYABLES

Ageing analysis of trade payables is as follows:

	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
0 – 1 month	<b>2,447</b>	2,295
1 – 3 months	-	-
Over 3 months	<b>60</b>	66
	<b><u>2,507</u></b>	<u>2,361</u>

## 13. COMPARATIVE FIGURES

Certain expenses were reclassified from administrative expenses to cost of sales to concur with current year presentation.

## **INDUSTRY OUTLOOK**

At the beginning of 2021, the Central Committee of the Communist Party of China released the 2021 “Number One Document”, focusing on the agricultural industry for the eighteen consecutive years, and clarified that the three major missions in 2021 are “Consolidate and expand the results of poverty alleviation to effectively connect with rural revitalisation”, “Vigorously implement rural construction actions” and “Accelerate agricultural and rural modernisation.”

The document points out that if the nation wants to rejuvenate, the village must be rejuvenated. The Central Committee of the Communist Party of China believes that the tasks for Agriculture, Rural Areas, and Rural People in the new stage of development is still extremely important and must not be relaxed for a while. Insist on solving the issues in relation to Agriculture, Rural Areas, and Rural People is the top priority of the Communist Party’s mission, taking the comprehensive promotion of rural revitalization as a major task of realizing the great rejuvenation of the Chinese Nation, and using the power of the whole Communist Party and society to accelerate the modernization of agriculture and rural areas, so that can let farmers live a better life.

The document also confirms that rural construction should be placed in an important position of socialist modernization, and the revitalization of rural industries, talents, culture, ecology, and organizations should be fully promoted. Give full play to the functions of agricultural product supply, ecological barriers, and cultural inheritance, follow the path of socialist rural revitalization with Chinese characteristics, accelerate the modernization of agriculture and rural areas, accelerate the formation of a new type of industrial-agricultural-urban-rural relationship with coordinated development and common prosperity featuring mutual promotion of industry and agriculture, complementary urban and rural development, and promote high-quality and high-efficiency agriculture, rural livability, and affluent farmers.

Chaoda as the national level leading enterprise in green and modern agriculture, we had leveraged the Chaoda Innovation Think Tank professional team to improve innovative capability and scientific strength. Strived to adhere the green development concept, promoting green production, and attaching great importance to soil protection and rural ecological environment, so to improve the supply level and quality of agricultural products.

## **FINANCIAL REVIEW**

During the financial year under review, the Group recorded a revenue of RMB74 million representing an increase of approximately 2% as compared to RMB72 million for the previous financial year. The increment in revenue was mainly due to the satisfactory performance of retail business in supermarket, partially offset by the performance of vegetable wholesale and logistics' business which had adverse impact under the pandemic of COVID-19. The Group achieved gross profit RMB20 million (2020: RMB20 million), gross profit margin was 27%.

During the financial year under review, selling and distribution expenses decreased from RMB8 million to RMB7 million as a result of cost reduction and productivity initiatives. General and administrative expenses increased by 2% to RMB52 million.

As a result of the above, during the financial year under review, the loss from operations of the Group amounted to RMB25 million (2020: RMB14 million) as well as loss for the year attributable to owners of the Company amounted to RMB26 million (2020: RMB14 million).

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2021, cash and bank balances of the Group amounted to RMB107 million (2020: RMB125 million), which includes RMB17 million restricted bank balance (2020: RMB17 million). In addition, the Group has no secured banking facilities (2020: Nil).

As at 30 June 2021, the total equity of the Group (including non-controlling interests) amounted to RMB228 million (2020: RMB258 million). Since the Group did not have any outstanding bank loans or long term debts due to third party as at 30 June 2021, the debt to equity ratio (bank loans over total equity) of the Group was nil (2020: Nil). The current ratio (dividing total current assets by total current liabilities) was 4 times (2020: 4 times).

## **FUTURE OUTLOOK**

Chaoda's new business model, which has been studied and tested in the past few years, is highly consistent with national policies. Chaoda's new business model addresses issues such as poor internal circulation of agricultural production, disconnection of agricultural production and sales, information asymmetry leading to "difficulties in selling" and "difficulties in buying," and outstanding regional, seasonal, and structural difficulties in agricultural products. Incorporate production-side products into system management, effectively connect with the demand-side, improve the modern agricultural industry system, production system, and operating system, promoting the standardization, informatization, and organization of agricultural products circulation, making full use of modern internet technology and big data platforms, through the agricultural futures market and trading means connect small-scale farmers with modern agriculture, which can effectively solve the problems of "difficulties in selling" and "difficulties in buying" caused by information asymmetry of agricultural products, and can promote agricultural efficiency and increase farmers' income.

Due to the new outbreak of COVID-19 in early 2020, the Group currently suspends the pilot work of Chaoda's new business model in relevant provinces. According to the national document on advancing the structural reform of the agricultural supply side, while effectively managing the demand side, the policies for achieving effective integration of poverty alleviation and rural revitalization, the principles and policies for the effective connection of small-scale farmers and modern agricultural development and the trend of accelerating the development of national urbanization, concentrate resources to study the effective connection between the existing agricultural supply-side structural reform plan and urban agricultural development, to lay a solid foundation for the next step of market development and to secure a sustainable supply of urban agricultural products and services.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the financial year under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE**

As at the date of this announcement, the members of the Audit Committee comprise Mr. Tam Ching Ho (the Chairman), Mr. Fung Chi Kin and Professor Lin Shun Quan, all are independent non-executive Directors.

The Audit Committee has met with Elite Partners CPA Limited ("Elite Partners"), the Company's auditors, to review the audited consolidated financial statements of the Group for the financial year ended 30 June 2021.



## SCOPE OF WORK OF ELITE PARTNERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the financial year ended 30 June 2021 as set out in this preliminary announcement have been agreed by the Group's auditor, Elite Partners, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners on this preliminary announcement.

## CORPORATE GOVERNANCE

The Board recognises that good corporate governance will not only safeguard the interests and assets of the Company and deliver long-term return to our shareholders, but will also lay a good foundation for sustainable growth of the Company. During the financial year ended 30 June 2021, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviation stated below:

### *Code provision A.2.1 of the CG Code*

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Kwok Ho held and is currently performing both the roles of Chairman and Chief Executive Officer of the Company. The Board considers that Mr. Kwok, as the founder of the Group, has profound knowledge and expertise in agricultural business. Under the present structure, the Group can enjoy the benefit of strong and consistent leadership in the development and execution of the Group's business strategies in the most efficient and effective manner. The Board will review and assess such arrangement from time to time to keep a balance of power and authority.

### *Code provision E.1.2 of the CG Code*

Code provision E.1.2 of the CG Code provides that the Chairman of the Board should attend the annual general meeting. He should invite the chairman of the audit, remuneration, nomination committee and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. Mr. Kwok Ho, the Chairman of the Company, did not attend the 2020 AGM, due to his own official engagement. However, arrangements including the attendance of another member of the Board had been in place to ensure the AGM was in order.

The Board will constantly review the corporate governance policies of the Company and adopt such practices and procedures as considered by it to be appropriate and in the overall interests of the Company and our shareholders as a whole from time to time.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code throughout the financial year ended 30 June 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

To ascertain the eligibility of the shareholders of the Company (the “Shareholders”) to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 17 December 2021 (the “Annual General Meeting”), the register of members of the Company will be closed from Tuesday, 14 December 2021 to Friday, 17 December 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. All properly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Monday, 13 December 2021. The Shareholders whose names appear on the register of members of the Company on Friday, 17 December 2021 are entitled to attend and vote at the Annual General Meeting.

**By Order of the Board**  
**Chaoda Modern Agriculture (Holdings) Limited**  
**Kwok Ho**  
**Chairman**

Hong Kong, 24 September 2021

*As of the date hereof, the board of directors of the Company comprises:*

*Executive directors* : *Mr. Kwok Ho and Mr. Kuang Qiao*

*Non-executive director* : *Mr. Ip Chi Ming*

*Independent non-executive directors* : *Mr. Fung Chi Kin, Mr. Tam Ching Ho and Professor Lin Shun Quan*